BHR/PVC SUMMARY - 1966 MID-TERM EVALUATION
COOPERATIVE PROGRAM SUPPORT GRANT (CPSG)
AND COOPERATIVE INITIATIVES GRANT PROGRAM (CIPG)

This BHR/PVC summary is intended to provide highlights from the recent mid-term evaluation for information purposes and is not intended to be a comprehensive report.

The major goal of current CPSG ("core grant") has been to foster and expand cooperative development and to expand and strengthen the private, non-governmental sector in developing countries. The CIPG ("Special Initiatives" program) was intended to encourage innovative approaches and non-traditional solutions to cooperative development problems.

COOPERATIVE PROGRAM SUPPORT GRANT (CPSG)

The purpose of the CPSG evaluation was two-fold: The primary purposes were to: (a) provide information concerning how successfully the CPSG had been implemented; (b) assess the effectiveness and soundness of the financial management of the program, and (c) recommend mid-project corrections if desirable and/or necessary. The secondary purpose was to make recommendations as to how the CPSG could be improved in its next phase, especially in light of new USAID strategic objectives and the uncertainty of funding levels of future foreign assistance budgets.

MAJOR FINDINGS AND CONCLUSIONS

Overall, USAID's cooperative development programs have benefited the growth and economic development of cooperatives/NGOs overseas. The majority of Cooperative Development Organizations (CDOs) however, were still dependent on receiving USAID project awards for the major part of annual revenues, and to a lesser degree on USAID direct financial support.

The CPSG had four program components. A summary evaluation of these components is as follows:

1. Program Development: Seven of the nine CDOs evaluated used the largest portion of their core grant funds to develop project concepts and project proposals for consideration by USAID (mainly), by other international development organizations, host-country governments and cooperatives, and private foundations. At the time of the evaluation, CDOs had spent $2,300,000 of core grant funds for this purpose which resulted in the awarding to seven of the nine CDOs of new awards worth $46,300,000 - a good return on investment.

2. Organizational Development: Six of the nine CDOs used a limited amount of "core grant" funds for management improvement activities. Most of these funds were spent by CDOs to either a) pay for home office personnel who provided technical and management support for their overseas programs; or, b) to improve management information, financial management, and monitoring and evaluation systems. In some cases, it appeared that the

relatively unrestricted availability of "core grant" funding for an extended period of time has not always helped to promote management efficiency. CDOs have varying degrees of linkages to overseas cooperatives/non-government organizations (NGOs). The long-term viability of CDO international programs will depend on the active and willing support of the cooperative member organizations, and improving the sustainability of the programs.

3. Resource Enhancement: An eligible use of "core grant" funds was to "support efforts to broaden CDO resource bases and to build more secure and independent financial bases". USAID's clear intention was to lessen CDOs' dependence on USAID for their programs and revenues. Five of the seven major grantees who have been in the program 15 years or more received on average over 90% of their revenues from USAID during the past three years. Clearly, most of the CDOs have made little progress in reducing their dependence on USAID funding.

4. Limited Program Services: There was considerable variation among the CDOs responding to the number and type of activities to be carried out under this component which was intended to:
a) cover provision of technical assistance and training;
b) permit follow-up contacts with developing country cooperatives, and c) foster relationships with overseas cooperative leaders to encourage policy changes and develop a more positive climate for cooperative systems. Considering that these activities were an important aim of the program it was surprising that the majority of the CDOs have spent no more than five percent of "core grant" funds for these purposes. There was also little activity under this component to strengthen the partnerships with local cooperatives/NGOs

In the design and implementation of the programs there were concerns that:

1. The description of program objectives and parameters should be clearly defined to ensure that projects can be managed for results, and the impacts on beneficiaries be measured.

2. CDO programs need to be clearly linked to cooperative development projects in the field. A substantial number of programs developed had very little to do with the development of cooperatives or cooperative-type organizations.

RECOMMENDATIONS (CPSG)

- BHR/PVC should seek to enlist only operating U.S. cooperatives in future Cooperative Development Program to enhance possibilities for long-term partnerships joint-venture opportunities with businesses overseas.

- CDOs should be encouraged to use "core grant" funds to develop business revenues such as fee-for-services from second-generation

linkages with former host-country clients.

- CDOs should provide more technical assistance to overseas cooperatives/NGOs, especially when the efforts are clearly tied to new business potential.

- CDOs should involve host-country cooperatives/NGOs in both project planning and the monitoring/evaluation process.

- BHR/PVC should require more membership involvement in the CDOs' overseas programs, including technical assistance, training and participation of volunteers.

- BHR/PVC should assist CDOs in becoming self-sustaining within the time-frame of the next cooperative development program.

- BHR/PVC should require all CDOs to make some matching, private contribution (cash or in-kind) when participating in future cooperative development grant agreements.

- BHR/PVC should consider encouraging other U.S. cooperatives interested in working overseas, to participate in the cooperative development program.

- BHR/PVC should re-emphasize that Cooperative Agreements are not intended to subsidize the CDOs' field projects funded by USAID Missions or other sources, or otherwise provide a competitive cost advantage in seeking contracts from USAID or other funding agencies.

- In general, more extensive communications and collaboration with individual USAID Missions should be encouraged.

<u>COOPERATIVE INITIATIVE GRANT PROGRAM (CIGP)</u>
The evaluation team was requested to review several, current BHR/PVC grants to asses: a) whether or not program objectives had been met, and b) whether or not the CIGP should be continued or expanded.

RECOMMENDATIONS (CIGP)

- Other U.S. cooperatives should be encouraged to become involved in future cooperative development programs overseas.

- BHR/PVC should incorporate the current "Special Initiatives" program into future cooperative development "core grant" programs rather than funding them separately.

- More specific parameters should be established with Special Initiative-type programs as to what constitutes "innovative approaches" and "non-traditional solutions" to cooperative development problems.